



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

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BILL HASLAM
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

January 30, 2018

Dick Grayson, Board Chair
Upper East Tennessee Human Development Agency, Incorporated
301 Louis Street
Kingsport, Tennessee 37660-0046

Dear Mr. Grayson,

The Department of Human Services (DHS) - Audit Services Division staff conducted an unannounced on-site monitoring review of the Child and Adult Care Food Program (CACFP) at Upper East Tennessee Human Development Agency, Inc. (Sponsor), Application Agreement number 00-562, on January 3, 2018. Additional information was requested and provided on January 5, 2018, to complete the review. The purpose of this review was to determine if the Sponsor complied with *Title 7 of the Code of Federal Regulations* (CFR) applicable parts, application agreement, and applicable Federal and State regulations.

Based on our review of the Sponsor's records and information provided, the Sponsor had 28 feeding sites operating during the test month of November 2017. We selected the George Clem Head Start, Greeneville Technology Center Pre-K, Hal Henard Elementary Pre-K, and Tusculum View Elementary Pre-K as our sample sites.

Background

CACFP Sponsors utilize meal count sheets to record the number of breakfast, lunch, supper, and supplement meals served. Meals served by participating Sponsors must meet the minimum guidelines set by the United States Department of Agriculture (USDA) and DHS to be eligible for reimbursement. The CACFP Sponsor reports the number of meals served through the DHS Tennessee Information Payment System (TIPS) to seek reimbursement. We inspected meal counts sheets for our test period and reconciled the meals claimed to the meals reported as served for each meal service. We also assessed compliance with civil rights requirements. In addition, on November 28th and November 30th, we observed meal services at our sample feeding sites.

Our review of the Sponsor's records for November 2017 disclosed the following:

1. The Sponsor provided menus that did not meet USDA meal pattern requirements regarding snacks meals

Condition

The menus provided by the Upper East Tennessee Human Development Agency indicated the following:

George Clem – feeding site

Date	Reason for Disallowance	Meal Type	Meals disallowed
11/14/17	The menu listed baked chips and banana. Baked chips are not credible.	Snack	10
11/16/17	The menu listed baked lay chips and apple. Baked chips are not credible.	Snack	10

As a result, 20 snack meals served were disallowed at the George Clem feeding site. (See Exhibit B)

Greeneville Tech – feeding site

Date	Reason for Disallowance	Meal Type	Meals disallowed
11/14/17	The menu listed baked chips and fruit. Baked chips are not credible and the name of fruit not listed.	Snack	17
11/16/17	The menu listed baked lays chips and apple. Baked chips are not credible.	Snack	17
11/21/17	The menu listed baked chips and apple juice. Baked chips are not credible.	Snack	2

As a result, 36 snack meals served were disallowed at the Greeneville Tech feeding site. (See Exhibit C)

Hal Henard – feeding site

Date	Reason for Disallowance	Meal Type	Meals disallowed
11/14/17	The menu listed baked lays chips and banana. Baked chips are not credible.	Snack	9
11/16/17	The menu listed baked lays chips and apple. Baked chips are not credible.	Snack	9

As a result, 18 snack meals served were disallowed at the Hal Henard feeding site. (See Exhibit D)

Tusculum View – feeding site

Date	Reason for Disallowance	Meal Type	Meals disallowed
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11/14/17	The menu listed baked chips and banana. Baked chips are not credible.	Snack	13
11/16/17	The menu listed baked lays chips and apple. Baked chips are not credible.	Snack	13

As a result, 26 snack meals served were disallowed at the Tusculum View feeding site. (See Exhibit E)

As a result, a total of 100 snack meals served were disallowed. (See Exhibit A)

Criteria

Title 7 of the Code of Federal Regulations, Section 226.17a(l) states, in part, "Each child care center participating in the Program shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20. ..."

Recommendation

The Sponsor should ensure all snack meals include required components that are credible.

- 2. The Sponsor provided menus that did not meet USDA meal pattern requirements regarding whole grains**

Condition

Under the updated meal patterns, at least one serving of grains per day must be whole grain-rich. Cereal bars, breakfast bars, and granola bars are considered to be grain-based desserts and cannot count toward the grain requirement for any CACFP meal. The following feeding sites did not meet the daily grain requirement:

Greeneville Tech – feeding site

Grain-based desserts were used to meet the whole grain daily requirement on November 1, 7, 13, 15, 21 and 29, 2017.

Hal Henard – feeding site

Grain-based desserts were used to meet the whole grain daily requirement on November 1, 7, 13, 15, 20, 21 and 29, 2017.

Tusculum View – feeding site

Grain-based desserts were used to meet the whole grain daily requirement on November 1, 7, 10, 13, 15, and 29, 2017.

These menu findings resulted in no material deficiencies due to a one year grace period for new CACFP meal pattern requirements which went into effect October 1, 2017.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.20(a)(4)(i)(A) states, "At least one serving per day, across all eating occasions of bread, cereals, and grains, must be whole grain-rich. Whole grain-rich foods contain at least 50 percent whole grains and the remaining grains in the food are enriched, and must meet the whole grain-rich criteria specified in FNS guidance."

Title 7 of the Code of Federal Regulations, Section 226.20(a)(4)(iii) states, "Grain-based desserts do not count towards meeting the grains requirement."

Recommendation

The Sponsor should ensure whole grain daily requirement are met

3. The Sponsor did not conduct monitoring as required

Condition

Based on our review of the Sponsor's documents, we noted that the Sponsor only conducted two of the three reviews as required for the sampled feeding sites.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.16(d)(4)(iii) states, "Frequency and type of required facility reviews. Sponsoring organizations must review each facility three times each year, except as described in paragraph (d)(4)(iv) of this section. In addition:

- (A) At least two of the three reviews must be unannounced;
- (B) At least one unannounced review must include observation of a meal service;
- (C) At least one review must be made during each new facility's first four weeks of Program operations; and
- (D) Not more than six months may elapse between reviews."

Recommendation

The Sponsor should ensure monitoring reviews for each site are completed as required.

Note: Our observation of the snack meal service at the feeding sites during the test month resulted in no deficiencies.

Technical Assistance

The Sponsor declined technical assistance, but stated they would like to have all cooks watch a video on the new nutritional requirements.

Disallowed Meals Cost

The disallowed meals cost associated with the findings above are below the DHS threshold for repayment.

Corrective Action

The Upper East Tennessee Human Development Agency must complete the following actions within 30 days from the date of this report:

- Prepare and submit a corrective action plan to address the deficiencies identified in this report. The corrective action plan template is attached. Please return the corrective action plan to:

AuditServices.CAPS.DHS@tn.gov

If you have questions relative to the corrective action plan please contact:

Allette Vayda, Director
Child and Adult Care Food Program
8th Floor Citizens Plaza Building
400 Deaderick Street
Nashville, Tennessee 37243
Allette.Vayda@tn.gov
(615) 313-3769

We appreciate the assistance provided during this review. If you have any questions, please contact Sean Baker, Audit Director 2, at 615-313-4727 or Sean.Baker@tn.gov.

Sincerely,


Sam O. Alzoubi, CFE
Director of Audit Services

Exhibits

cc: Tim Jaynes, Executive Director, Upper East Tennessee Human Development Agency
Leah King, Head Start Assistant Director, Upper East Tennessee Human Development Agency
Allette Vayda, Director, Child and Adult Care Food Programs
Debra Pasta, Program Manager, Child and Adult Care Food Program
Constance Moore, Program Specialist, Child and Adult Care Food Program
Marty Widner, Program Specialist, Child and Adult Care Food Program
Elke Moore, Administrative Assistant 3, Child and Adult Care Food Program
Comptroller of the Treasury, State of Tennessee

EXHIBIT A

Verification of CACFP Sponsor of Affiliated Centers

Sponsor: Upper East Tennessee Human Development Agency

Review Month/Year: November 2017

Total Reimbursement: \$35,726.90

Program Area	Reported on Claim	Reconciled To Documentation
Number of Days that CACFP Food Service was operated	19	19
Total Attendance	8,253	8,253
Number of AM Snacks	146	126
Number of Breakfasts Served	5,716	5,716
Number of Lunches Served	6,616	6,616
Number of PM Snacks	3,054	2,974
Total Number of Centers	28	28

EXHIBIT B

Verification of Head Start Site

Center: George Clem

Program Area	Reported on Claim	Verified by Monitoring Review
Number of Days that CACFP Food Service was operated	14	13
Total Attendance	146	146
Number of Lunches Served	146	146
Number of AM Snacks	146	126
Total Number of Participants	14	14

EXHIBIT C

Verification of Head Start Site

Center: Greeneville Technology Center Pre-K

Program Area	Reported on Claim	Verified by Monitoring Review
Number of Days that CACFP Food Service was operated	19	19
Total Attendance	273	273
Number of PM Snacks	273	237
Total Number of Participants	17	17

EXHIBIT D

Verification of Head Start Site

Center: Hal Henard Elementary Pre-K

Program Area	Reported on Claim	Verified by Monitoring Review
Number of Days that CACFP Food Service was operated	19	19
Total Attendance	175	175
Number of PM Snacks	173	155
Total Number of Participants	11	11

EXHIBIT E

Verification of Head Start Site

Center: Tusculum View Elementary Pre-K

Program Area	Reported on Claim	Verified by Monitoring Review
Number of Days that CACFP Food Service was operated	19	17
Total Attendance	236	236
Number of PM Snacks	217	191
Total Number of Participants	15	15



Tennessee Department of Human Services

Corrective Action Plan for Monitoring Findings

Instructions: Please print in ink or type the information to complete this document. Enter the date of birth for each Responsible Principal and/or Individual in Section B. Attach the additional documentation requested. Enter your name, title and date of signature on the last page. Please sign your name in ink.
Please return ALL pages of the completed Corrective Action Plan form.

Section A. Institution Information

Name of Sponsor/Agency/Site: Upper East Tennessee Human Development Agency, Inc	Agreement No. 00-562	<input type="checkbox"/> SFSP <input checked="" type="checkbox"/> CACFP
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Mailing Address: 301 Louis Street Kingsport, Tennessee 37660-0046

Section B. Responsible Principal(s) and/or Individual(s)

Name and Title: Dick Grayson, Board Chair	Date of Birth: / /
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Section C. Dates of Issuance of Monitoring Report/Corrective Action Plan

Monitoring Report: 1/30/2018	Corrective Action Plan: 1/30/2018
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Section D. Findings

Findings:

1. The Sponsor provided menus that did not meet USDA meal pattern requirements regarding snacks meals
2. The Sponsor provided menus that did not meet USDA meal pattern requirements regarding whole grains
3. The Sponsor did not conduct monitoring as required

The following measures will be completed within **30 calendar days** of my institution's receipt of this corrective action plan:

Measure No. 1: The Sponsor provided menus that did not meet USDA meal pattern requirements regarding snacks meals

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

DHS staff should check the "Forms" section of the intranet to ensure the use of current versions. Forms may not be altered without prior approval.
Distribution: OIG and CACFP/SFSP as appropriate
HS-3187 (Rev. 11-16)

RDA: 2341
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Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No.2: The Sponsor provided menus that did not meet USDA meal pattern requirements regarding whole grains

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 3: The Sponsor did not conduct monitoring as required

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

I certify by my signature below that I am authorized by the institution to sign this document. As an authorized representative of the institution, I fully understand the corrective measures identified above and agree to fully implement these measures within the required time frame. I also understand that failure to fully and permanently correct the findings in my institution's CACFP or SFSP will result in its termination from the program, and the placement of the institution and its responsible principals on the National Disqualified List maintained by the U.S. Department of Agriculture.

Printed Name of Authorized Institution Official:

Position:

Signature of Authorized Institution Official: _____

Date: / /

Signature of Authorized TDHS Official: _____

Date: / /

- (xi) The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities has been convicted for any activity that indicates a lack of business integrity;

(c) Administrative review is also available if the State agency notifies the institution and responsible principal or responsible individual of the following actions: proposed disqualification of a responsible principal or responsible individual, denial of a budget, denial of a line item within a budget, downward adjustment of the amount approved in a budget, suspension of an institution's participation, denial of start-up or expansion funds, denial of a request for advanced payment, recovery of an advance in excess of a claim, denial of a claim for reimbursement (except for late submission), decision not to forward an exception request for payment of a late claim, overpayment demand, denial of a new or renewing institution's application for participation, denial of sponsored facility application, notice of proposed termination, claim denial, claim deadline exceptions and requests for upward adjustments to a claim, or any other action affecting an institutions participation or claim for payment.

3. All appeal requests must be presented in writing to the TDHS Division of Appeals and Hearings not later than 15 calendar days after the date the institution or sponsoring agency receives the notice of adverse administrative action.

4. The date of an institution's or sponsoring agency's receipt of a notice of suspension and/or proposed termination and disqualification will be governed by the federal regulation at 7 CFR Part 226.2. The notice must specify the action being proposed or taken and the basis for the action, and is considered to be received by the institution or day care home when it is delivered, sent by facsimile, or sent by email. If the notice is undeliverable, it is considered to be received by the institution, responsible principal or responsible individual, or day care home five days after being sent to the addressee's last known mailing address, facsimile number, or email address.

5. The TDHS Division of Appeals and Hearings will acknowledge the receipt of the appeal request within 10 calendar days of the receipt of the institution's or sponsoring agency's request for review. The written request for review should state if a fair hearing is requested or if a review of written information in lieu of a fair hearing is requested. If the appeal request from the institution or sponsoring agency does not specifically request a hearing, a review of written information in lieu of a hearing will occur. If a fair hearing is requested and the institution or sponsoring agency's representative fails to appear, the right to a personal appearance is waived.

6. If an institution or sponsoring agency does not request a fair hearing or a review of written information in lieu of the hearing within 15 calendar days from the date the institution or sponsoring agency receives a Notice of Proposed Termination, the TDHS will issue a letter advising the institution or sponsoring agency that it is terminated from the CACFP effective on the 16th calendar day following the institution's or sponsoring agency's receipt of the notice, and that the responsible principals and individuals of the institution or sponsoring agency are disqualified from participation.

7. To be considered for a fair hearing or for a review of written information in lieu of a fair

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Revised March 2017

hearing, all written documents must be submitted to the TDHS Division of Appeals and Hearings not later than 30 days after receipt of the notice of adverse administrative action.

8. The action of the TDHS must remain in effect during the administrative review. The effect of this requirement on particular actions by TDHS is as follows:

(i) *Overpayment demand.* During the period of the administrative review, TDHS is prohibited from taking action to collect or offset the overpayment. However TDHS must assess interest beginning with the initial demand for remittance of the overpayment and continuing through the period of administrative review unless the administrative review official overturns the TDHS's action.

(ii) *Recovery of advances.* During the administrative review, TDHS must continue its efforts to recover advances in excess of the claim for reimbursement for the applicable period. The recovery may be through a demand for full repayment or an adjustment of subsequent payments.

(iii) *Program payments.* The availability of Program payments during an administrative review of the denial of a new institution's application, denial of a renewing institution's application, proposed termination of a participating institution's agreement, and suspension of an institution are addressed in paragraphs (c)(1)(iii)(D), (c)(2)(iii)(D), (c)(3)(iii)(D), (c)(5)(i)(D), and (c)(5)(ii)(E), respectively, of 7 CFR §226.6.

9. The institution or sponsoring agency must refute the charges contained in the notice during the fair hearing or in the written information that is provided in lieu of the hearing.

10. The institution and the responsible principals and responsible individuals may retain legal counsel, or may be represented by another person.

11. If a fair hearing is requested, the institution or sponsoring agency will be notified in writing of the time, date and place of the fair hearing at least 10 calendar days in advance.

12. Any information which supports an adverse administrative action taken by the TDHS shall be available to the institution or sponsoring agency for inspection from the date of the receipt of the request for a fair hearing or a review of written information in lieu of the hearing.

13. In accordance with 7 CFR Part 226.6 (k)(8), the TDHS Division of Appeals and Hearings must conduct the administrative review of the proposed disqualification of the responsible principals and responsible individuals as part of the administrative review of the application denial, proposed termination, and/or proposed disqualification of the institution with which the responsible principals or responsible individuals are associated. However, at the administrative review official's discretion, separate administrative reviews may be held if the institution does not request an administrative review or if either the institution or the responsible principal or responsible individual demonstrates that their interests conflict.

14. The procedures contained in the Uniform Administrative Procedures Act found at TCA 4-5-301 et seq. shall be followed in rendering a decision on all appeals. The decision of the hearing officer is the final administrative determination to be afforded to the institution or sponsoring agency, and shall be rendered in a timely manner not to exceed 60 calendar days from the date of the receipt of the request for a fair hearing.

15. The processing limits for administrative appeals MUST be met. In the event a continuance is requested by a party, one continuance may be granted at the Hearing Official's discretion. This

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continuance shall not be for a period longer than ten (10) calendar days unless there are exceptional circumstances. Exceptional circumstances must be detailed in the order of continuance and the order must contain a date certain for the hearing, to be set as soon as possible. A report of pending CACFP desk review and fair hearing requests will be generated and reviewed daily by the Clerk's Office and the Legal Director for Appeals and Hearings who will monitor the dates for timeliness. In the event a decision has not been rendered within forty-five (45) calendar days of the date of receipt of the request for fair hearing or desk review, the Legal Director for Appeals and Hearings or their back-up shall notify the hearing official to take appropriate action.

16. All requests for a fair hearing or for a review of written information in lieu of a hearing must be submitted to:

Tennessee Department of Human Services
Division of Appeals and Hearings
PO Box 198996, Clerk's Office
Nashville, TN 37219-8996
Fax: (615) 248-7013 or (866) 355-6136
E-mail: AppealsClerksOffice.DHS@tn.gov

17. If a termination action is upheld by the hearing officer, the TDHS will issue a letter to the institution or sponsoring agency and its responsible principals and individuals advising that the termination and disqualification are effective on the date of the ruling issued by the hearing officer. The agency maintains searchable records of all administrative reviews and their dispositions for a period of five (5) years.

18. As required by 7 CFR Part 226.6 (c)(7), each disqualified institution, sponsoring agency, principal and individual will be placed on the National Disqualified List maintained by the U.S. Department of Agriculture (USDA). Once included on the National Disqualified List, an institution, sponsoring agency, principal and individual shall remain on the list until such time as the USDA, in consultation with the TDHS, determines that the serious deficiencies that led to their placement on the list have been corrected, or until seven years have elapsed since they were disqualified from participation. However, if the institution, sponsoring agency, principal or individual has failed to repay debts owed under the program, they will remain on the list until the debt has been paid.